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RUEHLO/AMEMBASSY LONDON PRIORITY 0366  
RUEHKO/AMEMBASSY TOKYO PRIORITY 0640  
RUEHRL/AMEMBASSY BERLIN PRIORITY 0652  
RUEHRG/AMEMBASSY BRASILIA PRIORITY 0126  
RUCPDO/DEPT OF COMMERCE WASHDC PRIORITY  
RUEHGV/USMISSION GENEVA PRIORITY 2512  
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STATE PASS TO USTR FOR DONNELLY AND BUNTIN

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TAGS: [ETRD](#) [WTRO](#) [PGOV](#) [SZ](#)

SUBJECT: SWISS ECONOMICS/TRADE MINISTER JOSEPH DEISS TO  
RESIGN EFFECTIVE JULY 31

¶1. (SBU) Summary: In a surprise announcement, Swiss Economics and Trade Minister Joseph Deiss announced on April 27 that, effective July 31, he would resign his position as Economics and Trade Minister and step down from the seven-member Federal Council, where he is the Christian Democratic Party's only representative. The announcement surprised members of the State Secretariat for Economic Affairs (SECO), as well as the Embassy, as Deiss had provided no hints this move was coming during Ambassador Willeford's farewell call on April 25. SECO sources told ECONOFF that Deiss is likely resigning for health reasons, and that his successor will probably be Christian Democratic Party chief Doris Leuthard. End summary.

¶2. (SBU) After a four-year tenure as Economics and Trade Minister, Federal Councilor Joseph Deiss announced on April 27 that he will resign his position and seat in parliament effective July 31, 2006. The news of Deiss' resignation was a surprise to Embassy contacts in SECO and to the Mission. Ambassador Willeford had just met Federal Councilor Deiss on Tuesday, April 25 for a farewell call and he provided no hints that he would be stepping down. Deiss even commented to the Ambassador that the loss of important leaders like USTR Portman during this key phase of WTO negotiations would be hard to overcome. (NB: Switzerland and Minister Deiss are the spokesperson/person for the Group of 10 in the WTO Doha talks.)

¶3. (SBU) During a conversation with SECO America's Director, Philippe Nell, who initially did not know about the resignation when ECONOFF called for more information, said that SECO staff believe Deiss is resigning for health reasons. SECO staff, particularly the WTO staff, do not believe Deiss would abandon the WTO Doha talks unless there were a compelling reason; "he is not leaving for political reasons," Nell said. He added that Swiss Embassy staff in Washington (Economic Minister Councilor Giulio Haas) thought Deiss looked "tired and hollow" during his recent trip to the U.S. for the World Bank-IMF meetings. Deiss, however, looked rather spry during the Ambassador's April 25 meeting, although this could be because he had made his decision to resign and was feeling less burdened by the difficult choice he was having to make.

¶4. (SBU) Nell also told ECONOFF that rumors within SECO have

Christian Democratic Party President (since September 2004) Doris Leuthard succeeding Deiss at SECO and on the Federal Council. Leuthard has been a member of the Nationalrat (Lower House of Parliament) since 1999 and is a member of the Nationalrat's Committee on Economy and Taxes. Nell, a French speaker, said that he had heard that several members of parliament were looking to have a German speaker head the Economics and Trade Ministry after almost eight years of French speaking Ministers (Pascal Couchepin and Joseph Deiss). NOTE: Swiss bureaucrats have admitted that the native tongue of the minister plays an important role in staffing decisions. Key positions are sometimes filled with native speakers because of the difficulty to writing effective memos in a second or third language. END NOTE.

15. (SBU) COMMENT: Deiss has been a reasonably cooperative interlocutor in his portfolios, first as Foreign Minister (1999-2002) and then as Economic/Trade Minister (2003-present). By no means a compelling leader, Deiss has played it mostly safe in his policies. His most daring move, in retrospect, was trying to negotiate a Free Trade Agreement with the United States -- efforts for which he was shot down by his Federal Council colleagues earlier this year. Uncertain is the extent to which this embarrassment led to his decision to resign early.  
Willeford